

LANCASTER COUNTY

COUNTY-CITY BUILDING Telephone: (402) 441-7410
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BOARD OF COMMISSIONERS

**IT IS THE VENDOR'S RESPONSIBILITY TO CHECK
FOR ADDENDUMS PRIOR TO SUBMITTING PROPOSALS**

ADDENDUM #2
Issue Date: 03/23/07

**SPECIFICATION NO. 07-110
FOR**

**AUDIT SERVICES FOR LANCASTER COUNTY
AND
PUBLIC BUILDING COMMISSION**

Addenda are written instruments issued by the County prior to the date for receipt of offers which will modify or interpret the specification document by addition, deletion, clarification or correction. Please acknowledge receipt of this addendum in the space provided on your bidding document.

Be advised of the following questions received and its answers to the County's specification and bidding documents:

Lancaster County

1. What was the total time budget for last year's audit and approximately how much time was spent in the field by the prior auditor?
A. We do not require this information from our vendor. Therefore, we cannot answer this question.
2. How many people did the auditor have on the job?
A. We do not require this information from our vendor, therefore, we cannot answer this question.
3. Does the County draft the financial statements, footnotes, and supplementary information?
A. The County has not prepared the financial statements and the footnotes. The County would like to prepare the financials and possibly footnotes for the first time for the FY 2007 audit.
4. Does the County prepare trial balances on both the modified accrual and accrual basis of accounting and provide detailed support for the differences between cash and accrual?
A. Have not but plan to.
5. When do you anticipate having schedules and trial balances ready for audit fieldwork?
A. Late August

6. Have you received management letter comments in the past?
A. No management letter comments for FY 2005 audit.
7. Have you begun to address the implementation of new accounting and auditing standards including the following?
 - a. GASB 45
 - b. GASB 47
 - c. GASB 49A. No
8. FY 2005 had five major programs, are these programs generally consistent year to year?
A. Recommend a review of the audit reports.
9. Who serves on the Audit Committee?
A. Budget and Fiscal Officer, County Clerk employee, and County Treasurer employee. The County is in the process of revising the membership of the committee.
10. Statements on Auditing Standards 103 B 112 are expected to significantly impact all aspects of audit engagements. Have you received any information regarding the implications of the new auditing standards?
A. No
11. How much accounting and cash management is centralized?
A. County Treasurer handles the majority of receipts and the County Clerk is in charge of expenditures. Each agency can prepare vouchers on the system but the money is sent to the Treasurer and the expenditure voucher is sent to the Clerk.
12. Do you intend to continue to report "selected" funds as major even if they do not meet the definition?
A. No
13. Approximately how many journal entries were proposed in the prior year at the fund level and government-wide level?
A. CPA prepared financial statements.
14. Please clarify that the costs provided in the RFP included all auditing costs including those for the Community Mental Health, Leasing Corporation and Veterans Aid Fund. Were there any additional costs to convert the financial statements to full accrual for 6/30/06?
A. No
15. Does the County maintain its own depreciation schedules?
A. Yes

Community Mental Health Center

1. When will the records be ready for audit?
A. CPA can contact CMHC in July and request information needed and CMHC has information ready by August 10.

2. Does the CMHC have separate accounting staff from the rest of the County?
A. Yes
3. Does the County or CMHC maintain depreciation records for the CMHC?
A. Yes
4. Are any portion of the grant revenues coming from Region V considered to be from federal sources?
A. Approximately \$20,000
5. How many journal entries were proposed and made in 2006?
A. CPA prepared financial statements.
6. Are the financial statements and footnotes prepared by CMHC/County staff?
A. No

Lancaster County Leasing Corporation

1. When are the actuary reports for self-insured funds typically received?
A. Do not understand the question.
2. When are records typically ready for audit?
A. First part of August but would be later if County prepares financials.
3. Are the financial statements including footnotes prepared by Corporation or County personnel?
A. No. County's plan is to move that direction so financials would be prepared by County.
4. Does the County/Corporation maintain depreciation schedules for the Corporation?
A. Yes
5. How many journal entries were proposed by the auditor in the prior year?
A. CPA prepared the financial statements.

Lancaster County Public Building Commission

1. When are records ready for audit?
A. First part of August
2. How many journal entries were proposed by the auditors in 2006?
A. CPA prepared financial statements.
3. Are there separate accounting staff for the Commission?
A. No
4. Do County/Commission staff draft the financial statements as well as the footnotes?
A. No

5. Does the County/Commission maintain fixed asset depreciation schedules?
A. Yes
6. Are there any significant changes in debt anticipated in the next 3 years (i.e. new issuances, refinancing, etc.)?
A. Possibility of new issuance for a jail. Issuance could be up to \$94 million.

All other terms, conditions and requirements of the request remain the same as originally indicated in the document or as modified on previous addenda.

Robert L Walla
Assistant Purchasing Agent

COMMISSIONERS
*DEB SCHORR * LARRY HUDKINS * RAY STEVENS * BERNIE HEIER * BOB WORKMAN*
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